Ministry of Finance

2018/19 – 2020/21 SERVICE PLAN

February 2018

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Minister Accountability Statement

The *Ministry of Finance 2018/19 - 2020/21 Service Plan* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.

Honourable Carole James
Minister of Finance
February 14, 2018

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Purpose of the Ministry

The Ministry of Finance plays a central role in managing government's fiscal, financial and taxation policies. Key responsibilities of the Ministry include:

- Developing forecasts of the provincial economy; developing and monitoring government's capital plan and three-year fiscal plan; and managing significant risks and opportunities relating to the plan.
- Oversight for financial, procurement and administrative governance as well as banking, corporate accounting, insurance, risk and debt management services for the broader public service.
- Performance and financial management audits of ministry, agency and Crown corporation programs and functions to help improve efficiency and ensure governance, management and control systems are operating effectively.
- Policy development, regulation and enforcement for specific sectors including financial services, capital markets, pension plans, mortgage broker sectors, real estate services and societies.
- Providing policy advice with respect to federal-provincial fiscal arrangements and developments and the stewardship of the Canada Pension Plan.
- Identifying and collecting amounts owed to the government in relation to statutes the Ministry directly administers, as well as statutes administered by other ministries.
- Oversight of Crown governance and corporate accountability; supporting an open, transparent and merit-based public appointment process; and overseeing the delivery of mandate letters, service plans and annual service plan reports.
- Operation of the Government House and accountability for the BC Securities Commission, Partnerships BC, and Real Estate Council of BC.

Strategic Direction and Alignment with Government Priorities

The Ministry supports Government's three key commitments for building a Better B.C.: making life more affordable; delivering the services people count on; and building a strong, sustainable, and innovative economy that works for everyone. In July 2017, each minister was given a formal mandate letter that identifies both government-wide and ministry-specific priorities and initiatives they will deliver. This service plan outlines how the Ministry of Finance will support the government's priorities, including the specific initiatives that were outlined in the Minister's Mandate Letter.

The Ministry is aligned with the Government's key priorities:

Government Priorities	Finance Aligns with These Priorities By:
Making life more affordable	• Providing a modern and fair tax system and a robust regulatory environment (Objective 2.1)
Delivering the services people count on	• Delivering accountable, efficient and transparent financial and program management across government (Objective 1.3) • Providing responsive, effective and fair revenue, tax and benefit administration that funds provincial programs and services (Objective 2.2) • Enhancing public confidence in B.C.'s housing market (Objective 2.3) • Maintaining confidence in public sector organizations (Goal 3)
A strong, sustainable and innovative economy	• Ensuring effective management of government's fiscal plan (Objective 1.1) • Ensuring effective management of government's finances (Objective 1.2) • Providing a modern and fair tax system and a robust regulatory environment (Objective 2.1)

Strategic Context

The Economic Forecast Council (EFC) expects B.C.'s real GDP to grow by 2.5 per cent in 2018 and 2.2 per cent in 2019. Meanwhile for Canada, the EFC projects national real GDP growth of 2.2 per cent in 2018 and 1.8 per cent in 2019. As such, B.C.'s economic growth is expected to outperform Canada's in the coming years. Downside risks to B.C.'s economic outlook include US trade policy uncertainty and ongoing economic challenges in Asia and Europe.

Goals, Objectives, Strategies and Performance Measures

Goal 1: Sound and transparent management of government finances

Objective 1.1: Effective management of government's fiscal plan

The government's ability to achieve a sustainable fiscal environment relies on the development and maintenance of a prudent and resilient fiscal plan. The Ministry plays a critical role in overseeing the fiscal plan and works closely with the federal government, provincial ministries and other public sector partners to ensure that government's annual and three-year revenue, operating and capital expenditure targets are met, and government priorities are reflected.

Key Strategies:

- Continuously monitor the economy, revenues, spending and debt set out in *Budget 2018* to identify risks and opportunities to the fiscal plan, develop risk mitigation strategies, and take corrective action as required to meet targets.
- Manage government's capital plan ensuring strategic investments in infrastructure across the province, including hospitals, roads and schools, reflect the priorities of government.

Performance Measure	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.1a Balanced budget	$151M surplus	$219M surplus	$281M surplus	$284M surplus

Data Source: *British Columbia Budget and Fiscal Plan.*

Linking Performance Measures to Objectives:

1.1a This measure reflects the Ministry's overall success in implementing the government's fiscal plan.

Discussion:

This measure reflects the Ministry's overall success in implementing, monitoring, and maintaining the government's fiscal plan. Government will continue to uphold its commitment to deliver a balanced budget in 2018/19 and for future years.

Objective 1.2: Effective management of government's finances

The government's ability to achieve a strong and stable economy relies on the prudent management of government finances. The Ministry plays a critical role in managing the province's borrowing, financing needs and banking needs.

Key Strategies:

- Ensure effective cash management to minimize borrowing requirements and debt service costs.
- Support increased trade and investment with B.C. through investor tours, trade missions and financing strategies that enhance the province's trade presence in key markets.
- Review existing banking agreements, risk management and insurance services across the broader public sector to ensure these frameworks align with appropriate policies, are effectively managed and resourced and that services meet the expectations of clients.
- Support increased trade and investment with B.C. through the issuance and promotion of bonds where strategic and cost effective opportunities arise.

Performance Measure	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.2a Provincial credit rating	triple-A	triple-A	triple-A	triple-A

Data Source: Moody's Investor Service and / or Standard and Poor's (Credit Rating Agencies).

Linking Performance Measures to Objectives:

1.2a This measure indicates how external credit rating agencies view the province's finances. Triple-A is the highest possible rating and it is provided only to those public and private sector organizations that are assessed as borrowers with excellent financial security and pose the lowest risk for investor loss.

Discussion:

Organizations with a triple-A credit rating are generally offered the lowest interest rates when borrowing in domestic and international capital markets. British Columbia has benefited significantly from our triple-A credit rating as the lowest-cost borrower among provinces in Canada. The significant annual savings in debt servicing costs allows government to invest in its priority areas to improve affordability, enhance services that are important for B.C. and build a strong and sustainable economy. With government's continued focus on prudent fiscal management, it anticipates maintaining its triple-A credit rating over the three-year planning period.

Objective 1.3: Accountable, efficient and transparent financial and program management across government

The Ministry supports accountability and transparency through the public release of financial and program information, and a variety of governance frameworks that apply to ministries and the broader public sector. The successful implementation of effective governance frameworks supports increased value for use of public funds and contributes to public confidence in government.

Key Strategies:

- Ensure appropriate financial and program management, systems and guidance are in place for the broader public service.
- Continue transformation of government's financial management monitoring and reporting processes and systems.
- Meet statutory reporting requirements and comply with generally accepted accounting principles (GAAP).
- Continue reviews of designated public sector organizations, ministry programs and Crown corporations.

Performance Measure		2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.3a	Audit opinion provided by the Office of the Auditor General	Public Accounts in compliance with GAAP	Public Accounts in compliance with GAAP	Public Accounts in compliance with GAAP	Public Accounts in compliance with GAAP

Data Source: Release of *Public Accounts*.

Linking Performance Measures to Objectives:

1.3a This measure is an indication of government's transparency in accounting for its finances. In preparing the *Public Accounts*, the Ministry strives to provide an open, accurate and fair representation of the government's financial position in accordance with GAAP. To validate this position, government seeks an independent audit opinion that offers an objective assessment of its financial reporting.

Goal 2: A strong, sustainable and innovative economy

Objective 2.1: A modern and fair tax system and a robust regulatory environment

A tax system that is perceived by British Columbians to be fair increases their confidence in government. Furthermore, the Province's ability to support a strong economy depends on a regulatory environment that is benchmarked nationally and internationally. Jurisdictions with competitive tax regimes and regulatory frameworks are successful in attracting and retaining personal and business investment.

Key Strategies:

- Support government's commitment to a strong, sustainable and innovative economy through tax initiatives that help address poverty and inequality and foster economic growth.
- Ensure financial services and real estate regulatory frameworks are efficient and effective, and protect the public interest.
- Develop and implement tax and other measures to improve housing affordability.
- Continue to work with other provinces and territories to establish standards for capital market regulation that protects and supports B.C.'s interests and ensures the province's securities industry is not negatively impacted.

Performance Measures		2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
2.1a	Provincial ranking of corporate income tax rates	Lowest	Remain in the lowest four	Remain in the lowest four	Remain in the lowest four
2.1b	Provincial ranking of personal income tax rates for the bottom tax bracket	Second lowest	Remain in the lowest two	Remain in the lowest two	Remain in the lowest two
2.1c	Provincial ranking of personal income tax rates for the second-from-bottom tax bracket	Lowest	Remain in the lowest two	Remain in the lowest two	Remain in the lowest two

Data Source: Published legislation and budgets from all 10 provinces.

Linking Performance Measures to Objectives:

2.1a This measure reflects government's commitment to maintaining a competitive tax environment that fosters economic growth by encouraging business investment and promoting a business-friendly environment.

2.1b/c These measures demonstrate government's commitment to tax fairness by ensuring low tax rates for individuals and families living and working in the province.

Discussion:

The measure of the provincial ranking of corporate income tax rates compares the general corporate income tax rate in B.C., as of March 31 each year, to those of other provinces in Canada. The two measures of the provincial ranking of personal income tax rates provide a comparison of B.C.'s

personal income tax rates for the bottom two tax brackets, as of March 31 each year, with those of the other nine provinces.

Objective 2.2: Responsive, effective and fair revenue, tax and benefit administration that funds provincial programs and services

The Ministry manages revenue in relation to statutes it directly administers, as well as statutes administered by other ministries. These revenues support the provision of important government programs and services such as health care, education, social services and transportation infrastructure for British Columbians. The Ministry is committed to identifying and collecting amounts owed to government in a manner that is fair and respectful to citizens and taxpayers.

Key Strategies:

- Work with taxpayers, clients, stakeholders and other jurisdictions to ensure tax and revenue programs are effectively administered, including compliance and enforcement activities.
- Help individuals and businesses to better understand their financial obligations and to pay the correct amount on time.
- Continue to implement new technology and process improvements to the tax administration system that foster better engagement with clients, enhance and streamline services, and enable effective compliance and enforcement activities while also consolidating to reduce administration costs.

Discussion:

Three measures have been developed to report on the efficacy of the Ministry's revenue collection programs: cost to collect revenue; percentage of on-time payments; and accounts receivable as a percentage of total revenue.

The cost to collect revenue measure reflects the cost incurred to collect amounts owed to government. Information on the cost to collect revenue helps guide decision making on managing productivity and efficiency.

The percentage of on-time payments measure tracks the remittance of tax payments and other revenues received on or before their legislated due date. It provides an indication of citizens and taxpayers understanding of their financial obligations and their willingness to pay.

The accounts receivable as a percentage of total revenue measure reports on the success of collecting amounts owed to government and administered by the Ministry of Finance. These amounts may be billed by the Ministry, self-assessed by individuals and businesses, or identified through audit and compliance activities.

Baselines for each will be established in 2017/18 and targets set for outgoing years, in order to introduce these performance measures in the 2019/20 Service Plan.

Objective 2.3: Public confidence in B.C.'s housing market

The Office of the Superintendent of Real Estate (the Superintendent) was created in 2016 after significant changes were made to the *Real Estate Services Act* to increase oversight of the real estate industry and enhance consumer protection. The Superintendent has direct oversight of the Real Estate Council of BC, a Crown agency responsible for licensing individuals and brokerages engaged in real estate sales. The Superintendent has statutory powers to protect consumers by ensuring developers adhere to disclosure requirements and by establishing requirements that govern the conduct of real estate licensees.

Key Strategies:

- Strengthen consumer protection in B.C.'s real estate market through oversight of real estate licensees as well as unlicensed real estate activity.

Performance Measure	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
2.3a Real estate development disclosures and strata rental disclosures are reviewed within 20 business days of receipt	90%	90%	90%	90%

Data Source: Real Estate Tracking System.

Linking Performance Measures to Objectives:

2.3a This measure reflects the ministry's success in ensuring that real estate marketing and strata disclosure reviews protect consumers while also facilitating new real estate developments. Consistently achieving the target will ensure the Superintendent's disclosure review and filing process does not delay the ability of developers to increase housing supply by enabling developers to appropriately market new real estate developments in a timely manner.

Discussion:

The measure indicates the Office of the Superintendent of Real Estate's success in reviewing developer marketing disclosures and rental rights disclosures in accordance with the *Real Estate Development Marketing Act* and the *Strata Property Act*. The 20-day time frame for reviewing disclosures is fair to purchasers and developers. Marketing may begin upon delivery of the disclosure and, if necessary, the disclosure may subsequently be amended. A 20-day time frame for review and receipt ensures that disclosures are promptly finalized by developers and provided to purchasers, and allows a reasonable period for the regulatory review.

The Office of the Superintendent of Real Estate received 1,637 disclosures and amendments for review in 2016/17, which was a significant increase over the five year average of 1,496. The office is forecasting a slight decrease in the number of disclosures that will be received and assessed in 2017/18.

Goal 3: Confidence in public sector organizations

Objective 3.1: Government has effective oversight of public sector organizations

Public sector organizations are established by government to serve the public interest and to advance overall public policy objectives. These include Crown corporations, post-secondary institutions, health authorities, school districts, commissions, and councils. Collectively, these organizations manage billions of dollars in assets and liabilities and operate in many sectors of the provincial economy, including transportation, energy and resources, and oversee the delivery of core services such as health care, education, and public utilities.

Effective oversight of these organizations is critical to protect taxpayers, ensure strategic alignment with government's priorities and preserve public confidence in the management of public sector programs and services. Government is also committed to creating a fairer and more inclusive society and supports greater diversity on public sector organization boards. Provincial appointments that represent the diversity of B.C. will better serve and support the population at large including visible minorities, people with disabilities, women, Indigenous people and the LGBTQ2S+ community.

Key Strategies:

- Provide policy leadership and advice to ensure public sector organizations are fiscally transparent and adhere to accountability and performance reporting standards within a principled governance framework.
- Build and maintain strong corporate governance capacity within government and the broader public sector by providing tools, education and professional development opportunities.
- Support corporate governance and financial management oversight frameworks between central agencies and ministries, and between ministries and public sector organizations.
- Ensure guidelines are in place to facilitate an open, transparent and merit-based process for provincial appointments, resulting in effective public sector organization boards that reflect the diversity of B.C.

Performance Measure	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
3.1a Women make up a minimum of 45% of government-appointed members on public sector organization boards by 2021	42%	43%	44%	45%

Data Source: Crown Agencies and Board Resourcing Office's Agency Management System.

Linking Performance Measures to Objectives:

3.1a One way to measure the effectiveness of government's oversight of public sector organizations is by tracking how representative boards are of the diversity of B.C. The proportion of men and women appointed by government to public sector organizations is currently tracked, and is a starting point from which to begin measuring progress towards greater diversity and inclusion on public sector boards.

Discussion:

Government's commitment to diversity and inclusion will be reflected over time in board appointments. Recruitment strategies will be developed to focus on increasing participation from visible minorities, people with disabilities, women, Indigenous people and the LGBTQ2S+ community. Strategies will also be developed to measure participation across the boards.

Resource Summary

Core Business Area	2017/18 Restated Estimates[1]	2018/19 Estimates	2019/20 Plan	2020/21 Plan
Operating Expenses ($000)				
Treasury Board Staff	6,701	7,026	7,029	7,029
Office of the Comptroller General	21,130	21,266	21,331	21,331
Treasury	1	1	1	1
Revenue Division	89,762	90,545	91,033	91,033
Policy and Legislation	6,307	6,283	6,302	6,302
Public Sector Employers' Council Secretariat	16,637	16,839	16,840	16,840
Crown Agencies and Board Resourcing Office	852	855	856	856
Executive and Support Services	28,922	29,766	29,836	29,836
Statutory Appropriations[2]	3,505,000			
Insurance and Risk Management Account	4,180	4,493	4,512	4,512
Provincial Home Acquisition Wind Up special account	10	10	10	10
Housing Priority Initiatives special account	37,636	283,225	526,271	531,289
Total	**3,717,138**	**460,309**	**704,021**	**709,039**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Executive and Support Services	310	644	644	478
Total	**310**	**644**	**644**	**478**
Other Financing Transactions ($000)				
Applicable Core Business(es) Purpose(s)				
Reconstruction Loan Portfolio				
Receipts	(4,500)	(3,500)	(2,500)	(2,000)
Disbursements	20	15	10	5
Net Cash (Requirements)	(4,480)	(3,485)	(2,490)	(1,995)

Core Business Area	2017/18 Restated Estimates[1]	2018/19 Estimates	2019/20 Plan	2020/21 Plan
Student Aid BC Loan Program				
Receipts	(120,000)	(115,000)	(115,000)	(115,000)
Disbursements	224,000	230,000	230,000	230,000
Net Cash (Requirements)	104,000	115,000	115,000	115,000
International Fuel Tax Agreement (Motor Fuel Tax Act)				
Receipts	(14,000)	(14,500)	(14,500)	(14,500)
Disbursements	3,000	3,000	3,000	3,000
Net Cash (Requirements)	(11,000)	(11,500)	(11,500)	(11,500)
Land Tax Deferment Act				
Receipts	(64,000)	(70,000)	(77,000)	(84,000)
Disbursements	132,000	145,000	200,000	214,000
Net Cash (Requirements)	68,000	75,000	123,000	130,000
Improvement District Loans (Local Government Act)				
Receipts	(1,660)	(1,498)	(1,431)	(1,212)
Disbursements	2,000	1,500	1,500	1,500
Net Cash (Requirements)	340	2	69	288
Total Receipts	**(204,160)**	**(204,498)**	**(210,431)**	**(216,712)**
Total Disbursements	**361,020**	**379,515**	**434,510**	**448,505**
Total Net Cash Source (Requirements)	**156,860**	**175,017**	**224,079**	**231,793**

1. For comparative purposes, amounts shown for 2017/18 have been restated to be consistent with the presentation of the 2018/19 *Estimates*.
2. *Budget 2017 Update* provided statutory authority to extinguish the fiscal agency loan agreement between government and the Transportation Investment Corporation in response to the decision to cancel the tolls on the Port Mann Bridge. As a related party transaction, the expense and the corporation's debt reduction are eliminated on consolidation resulting in no impact to operating results.
3. Further information on program funding and vote recoveries is available in the Estimates and Supplement to the Estimates.

Significant IT Projects

Project ($ millions)	Estimated Total Capital Cost of Project
Revenue Transformation Initiative (RTI) RTI is a multi-phase information technology project to consolidate government's tax and royalty revenue programs onto government's corporate tax administration system to reduce administration costs and simplify and streamline services for businesses and citizens.	$62.7

Appendix A: Financial Institutions Commission

Purpose of the Organization

The Financial Institutions Commission (FICOM) is a regulatory agency of the provincial Ministry of Finance. FICOM is responsible for administering statutes that provide regulatory oversight of pension plans, mortgage brokers, deposit taking institutions (credit unions), trust companies and insurers in British Columbia. The primary focus of this regulatory framework is to ensure that:

- Institutions and pension plans in these sectors remain solvent
- Market conduct requirements for these sectors are respected
- Unsuitable individuals do not participate in financial service markets

FICOM also administers a deposit insurance program for B.C. credit unions through the Credit Union Deposit Insurance Corporation (CUDIC).

Strategic Direction and Context

Strategic Direction

FICOM is an integrated financial regulator with responsibility for both prudential and consumer protection issues. Its mandate is to protect the public from undue loss and unfair market conduct through balanced and proactive regulation of British Columbia's financial services sector.

In response to international regulatory best practices, FICOM has transitioned from a compliance-based regulatory approach to a principles and risk-based regulatory approach. Principles-based regulation positions FICOM to respond to risks in a financial services marketplace that is complex and in constant evolution.

FICOM supports the Ministry of Finance's goal to ensure confidence and stability in British Columbia's financial sector through the effective regulation of the province's pensions, financial services and mortgage broker sectors.

Strategic Context

FICOM approves individuals and entities to participate in British Columbia's financial sectors, communicates and establishes regulatory requirements, monitors adherence to those requirements, and takes corrective enforcement action when necessary.

The integrated FICOM model requires strong communication and collaboration with government, industry, other regulators, and consumers, to understand and effectively respond to marketplace risks.

FICOM Regulatory Business Model

Licensing and Approvals	Market Discipline	Supervision and Surveillance	Enforcement	Backstop
Approvals to establish, modify and dissolve a business	Establish and communicate regulatory expectations	Supervision and surveillance against regulatory expectations	Corrective enforcement action	Safety net in the event of institutional failure

Goals, Objectives, Strategies and Performance Measures

Goal 1: Enhance interaction with the public

Objective 1.1: More effective communication with consumers and the public

Key Strategies:

- Protect consumers of financial services by implementing proactive market conduct strategies, investigating complaints, and taking enforcement action where appropriate.
- Enhance direct engagement with stakeholders and seek broader input on regulatory matters, including from the public.
- Leverage a complete range of communication resources to facilitate these strategies, including social media, web site, targeted subscription and other public service communications resources.

Performance Measure 1: Public/Consumer Enquiries & Complaint Address Rate

Discussion:

FICOM demonstrates its responsivness and accountability to the public by achieving service standards for the management of enquiries and complaints. Service levels are determined by the complexity and seriousness of the issue.

Outcomes will be reflected in the 2018/19 Service Plan Report, and the full performance measure will be introduced in the 2019/20 Service Plan.

Goal 2: Invest in our people and organizational capabilities

Objective 2.1: Strengthen FICOM's culture of supporting an engaged and knowledgeable workforce with enhanced tools and technology

Key Strategies:

- Develop and implement strategies to attract and retain the talent necessary to deliver on our mandate, including a comprehensive learning and development framework, succession planning and recruitment marketing strategies.

- Invest in a learning and development framework that complements our recruiting strategy to ensure FICOM possesses the right skills and experience to deliver on our mandate.
- Provide technology tools that provide workplace flexibility, strengthen effectiveness and efficiency of work process and support enhanced stakeholder engagement.

Performance Measure 2: Organization Vacancy Rate

Performance Measure	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
FICOM employee vacancy rate (%)	27%	18%	10%	8%

Data Source: Human Resources Information Management System.

Discussion:

FICOM, together with its partners, is committed to addressing historically high vacancy rates through a comprehensive suite of recruitment and retention strategies. FICOM is also committed to supporting a wide range of work styles through updated technology platforms, tools, and work processes.

The performance measure will be measured by looking at the 12 month average for the fiscal period.

Goal 3: Continuously improve and enhance FICOM's framework for risk management

Objective 3.1: FICOM regulates their respective industries and organizations using a mature risk based management (supervisory) framework

Objective 3.2: Work together across regulatory functions to effectively deliver on our regulatory mandate

Key Strategies:

- Administer legislation that regulates the province's pensions, financial institutions and mortgage broker sectors.
- Utilize a risk-based supervisory framework to proactively identify, and intervene to correct, any imprudent or unsafe business practices conducted by regulated pension plans, credit unions, insurance companies, and trust companies.
- Conduct robust assessments of new industry participants, to ensure unsuitable parties do not participate in the regulated markets.
- Collaborate with government, other regulators, and industry partners to implement national and international regulatory best practices and to improve protections for British Columbians.
- Through the Credit Union Deposit Insurance Corporation, administer the deposit insurance fund that safeguards deposits placed with B.C. credit unions.

Performance Measure 3: Number of Onsite/Assessments Completed

Performance Measure	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
Supervisory reviews complete for financial institutions within three years	85%	70%	85%	85%

Data Source: Financial Institutions Division (FID) Supervision Information Management System.

Discussion:

FICOM is committed to continuous monitoring of financial institutions through a variety of activities including financial monitoring, regular interactions with staff, management, directors, and onsite regulatory reviews. Onsite reviews are forward looking; risk-based, and occur on a schedule that is determined by the risk profile and systemic importance of an institution. Under this service plan, an onsite review acts as a proxy for completion of a supervisory review.

In 2018/19 a number of institutions that had onsite reviews in 2015 will be outside of the three year supervisory review target. As we normalize staffing levels, those institutions will be priorities for onsite reviews in 2018/19 and 2019/20, with the goal of returning to an 85% coverage goal by the end of 2019/20. Institutions that have not had a FICOM onsite review are routinely monitored for risk as part of normal monitoring activities.

Performance Measure 4: Regulatory Approval Timelines

Performance Measure	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
Regulatory approvals within established service standards for each sector	Achieved	TBD	TBD	TBD

Data Source: Consolidated data across Financial Institutions Division (FID), Pensions and Mortgage Brokers' Information Management System database.

Discussion:

Under the various pieces of legislation that it administers, FICOM is responsible for receiving and reviewing regulatory filings from industry, and making decisions on a wide range of approvals and authorizations. Those approvals and authorizations can range from business authorizations to insurance companies, to registration of mortgage brokers, and registration of pension plans.

FICOM has established service standards by business line for regulatory processing and approvals. These standards balance the need for timely and complete decision making that enables industry to do business and at the same time protects the public.

Appendix B: Government Communications and Public Engagement

Purpose of the Organization

The mandate of Government Communications and Public Engagement (GCPE) is to ensure British Columbians are informed about programs, policies and services that affect them – and to communicate essential features and changes in these areas through traditional communication practices, direct engagement and online services.

Strategic Direction and Alignment with Government Priorities

GCPE plays a critical role in helping government achieve its key commitments: make life more affordable; deliver the services people count on; and build a strong, sustainable economy that works for everyone by informing British Columbians about government actions to achieve these priorities and about the programs and services available. GCPE also coordinates direct engagement with citizens through ongoing dialogue concerning the development and design of key initiatives.

Strategic Context

In today's fast-paced, media-rich world, it is more important than ever to ensure government communicates effectively so that people know what services are available to them, what changes are made to those services, and how to access them. GCPE is responsible for helping to shape the way the B.C. government talks to citizens through various channels, from traditional advertising and earned media techniques to innovative digital communications, and ensuring that peoples' voices are heard when important decisions are being made through direct public engagement on a wide variety of issues.

GCPE will focus on these areas of action in 2018/19:

- Initiatives associated with the three overarching priorities of government: affordability; quality services; and a strong, sustainable economy that works for everyone.
- Specific initiatives as indicated in the mandate letters of Cabinet ministers.
- Corporate initiatives – outside the three priorities – that will have a lasting impact on the lives of British Columbians. Specifically, two key initiatives have been identified for 2018/19: Electoral Reform and Legalization of Cannabis.

It is critical that all communications and outreach channels are used effectively to raise awareness of these initiatives.

Goals, Objectives, Strategies and Performance Measures

Goal 1: Inform and engage British Columbians on government initiatives to connect them more directly to the information and services they need

Objective 1.1: Expand government's reach in communicating with British Columbians via direct (social media) and filtered (media) communications

Key Strategies:

- Reach people where they access their information through highly engaging digital communications and social media.
- Provide timely and appropriate information to the media and to the public to enable informed debate on decisions taken by government.
- Co-ordinate public engagement initiatives and provide tools to support ministries.

Performance Measure	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.1a Facebook engagement rate	15%	16%	17%	18%
1.1b Timely response to media inquiries	< 97%	< 97%	< 97%	< 97%

Data Source: GCPE Communications Offices and central tracking through HUB.

Linking Performance Measures to Objectives:

1.1a There is no single social media metric that will entirely measure the performance of GCPE in fulfilling its mandate on social platforms. The Facebook engagement rate is a representative metric that reflects government's ability to engage British Columbians with our content. This metric takes Facebook engagement and divides it by the number of organic impressions of the Government of B.C. Facebook page's posts. A higher engagement rate means more British Columbians are interacting with stories and important messages related to services, programs and initiatives. It is an indicator of the quality of content, and its ability to elicit an action, such as 'liking,' 'sharing,' or 'commenting' by a user on a social media platform. The 2017/18 forecast is based on an average of engagements per month out of an average of post impressions per month.

1.1b Being highly responsive to media requests is crucial to ensuring correct and complete information reaches people through their chosen media sources. This performance measure is an average of two indicators from GCPE Communications Offices: the per cent of media inquiries responded to within one hour and the per cent of media inquiries responded to within the media deadline.

Objective 1.2: Help increase British Columbians' access to the public services they need

Key Strategies:

- Support government in its dialogue with British Columbians and post impacts to GovTogetherBC and the Service Design in the B.C. Public Service page on gov.bc.ca.
- Continue support and development of the Personal Digital Services[1] initiative in cooperation with the Ministry of Citizens' Services and other government entities, including the launch of a new pilot project – relevant to one of government's three priorities – to bring service access directly into users' homes via desktop and personal devices.
- Continue to support citizen-centred design of proposed legislation and services through consultation and other public engagement methods. Make it easier to access services and information with on-line and self-service options.
- Enable a consistent user experience for digital services.
- Make government's internet sites more useful to citizens and effective for government.

Performance Measure		2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.2a	Improve web content and search results on gov.bc.ca	48%	55%	65%	70%

Data Source: GCPE Public Engagement.

Linking Performance Measures to Objectives:

1.2a Measuring and understanding why citizens are not finding the information they need on gov.bc.ca provides web content owners with the tools and insight to take action to improve web search results relevance and thereby improve access to services. Measured by user response to the question "Did you find what you were looking for?" on gov.bc.ca.

[1] For more information see Where Ideas Work, pg. 21

Resource Summary

Core Business Area	2017/18 Restated Estimates[1]	2018/19 Estimates	2019/20 Plan	2020/21 Plan
Operating Expenses ($000)				
Government Communications	25,943	27,030	27,030	27,030
Government Digital Experience	8,262	8,354	8,402	8,402
Total	**34,205**	**35,384**	**35,432**	**35,432**

1 For comparative purposes, amounts shown for 2017/18 have been restated to be consistent with the presentation of the 2018/19 *Estimates*.

Appendix C: Public Sector Employers' Council Secretariat

Purpose of Organization

Public Sector Employers' Council Secretariat

The Public Sector Employers' Council Secretariat (PSEC) supports government in providing strategic direction in human resource management and labour relations, including the administration, development and implementation of labour relations policies for the broader provincial public sector. PSEC also supports the Minister of Finance in directing employers to create compensation plans for excluded and executive employees. PSEC represents government in its role as a partner in four pension plans[2], working with other partners to ensure plan sustainability, monitor risk exposure and provide policy advice to both government and public sector employers. PSEC's authority is contained in the *Public Sector Employers Act* and its authority related to pension plans is based on the *Public Sector Pension Plans Act* and joint trust agreements.

Employers' Associations

The mandates and purposes of employers' associations include coordinating compensation, benefit administration, bargaining and labour relations within their respective sectors, as outlined in sections 6 and 7 of the *Public Sector Employers Act*. There are six public sector employers' associations:

- British Columbia Public School Employers' Association (BCPSEA)
- Community Social Services Employers' Association (CSSEA)
- Crown Corporations Employers' Association (CCEA)
- Health Employers Association of British Columbia (HEABC)
- Post-Secondary Employers' Association (PSEA)
- University Public Sector Employers' Association (UPSEA)

BCPSEA, CSSEA, HEABC, and PSEA serve as the accredited employer bargaining agents for their respective sectors and their funding is provided by PSEC. CCEA and UPSEA play a coordination and information-sharing role but do not serve as bargaining agents for their member employers.

[2] The four pension plans contained in the *Public Sector Pensions Plan Act* are: College Pension Plan, Municipal Pension Plan, Public Service Pension Plan, and Teachers' Pension Plan. For more information see PensionsBC.ca

Strategic Direction

Public Sector Employers' Council Secretariat
Current PSEC strategies include:

- Developing and maintaining bargaining and compensation frameworks that incorporate government's fiscal and policy directions.
- Providing clear guidance and advice to public sector employers to ensure alignment with government objectives.
- Improving the quality and reliability of data to support negotiations and management of excluded and executive compensation.
- Building capacity in government with respect to strategic labour relations advice and pensions expertise.
- Working with plan partners to accomplish the objectives of the Public Sector Pensions Framework.

Resource Summary

Employer Associations Expenditures[3]

Core Business Area	2017/18 Projected	2018/19 Estimates	2019/20 Plan	2020/21 Plan
Operating Expenses ($000)[4]				
Employers' Associations	35,105	37,327	35,672	35,629

[3] See Ministry Resource Summary table on page 13 for PSEC expenditures.
[4] Expenditures are total forecast expenditure of employer associations included in the government reporting entity and are funded through transfers from government, membership dues, and other sources.

Appendix D: Public Service Agency

Purpose of the Agency

The B.C. Public Service Agency provides human resource leadership, expertise, services and programs that contribute to better business performance of ministries and government as a whole.

Strategic Direction and Context

Strategic Direction

The B.C. Public Service is one of the largest workforces in the province, serving all communities across British Columbia. From frontline workers to accountants and architects, researchers and analysts, information technology professionals, social workers and others, there is virtually no area of expertise unrepresented. Public servants provide a wide range of services to British Columbians such as health care, public safety, education, and environmental management, to name a few.

The B.C. Public Service Agency supports the work these public servants do by providing human resource services such as hiring, payroll, labour relations, occupational health and safety and learning and development. In doing so, it helps ensure the B.C. Public Service continues to have the right talent it needs to do the work today and in the future.

The Agency is also accountable for promoting ethical behaviour across the public service by coordinating the development, awareness, training and communication of programs regarding the Oath and Standards of Conduct, and providing advice and guidance to ministries.

This service plan includes the priorities and initiatives that were outlined in the Minister of Finance's Mandate Letter.

Strategic Context

The Canadian economy slowly continues to improve and British Columbia is expected to continue as one of the leading provinces for economic growth. As the economy improves, so does the possibility for a tightening of the labour market, where organizations can expect increased competition for skilled employees.

Changing demographics, such as an aging and increasingly diverse population, continue to influence employers in many ways. An aging workforce is contributing to rising benefits costs through factors such as higher benefit utilization, increased absenteeism and escalating health premiums. As benefits costs make up an increasing percentage of the total cost of employment, the B.C. Public Service is working to contain these costs through a proactive and preventative approach to supporting a healthy and productive workforce.

While global economic influences delayed the retirement of many baby boomers, the oldest of this cohort is now aged 70+ and are exiting the workforce in growing numbers. This exodus is only expected to increase, and when combined with fewer entrants to the workforce and greater demand for

skilled workers, will bring about both labour and skill shortages. The increased competition will require organizations to put greater emphasis on recruitment and retention.

Statistics Canada predicts that by 2030, net population growth in Canada will be due to immigration, which will partially offset the effects of our aging population, but will not be enough to prevent the tightening of the labour market. At the same time, the expected growth in immigration indicates the Canadian public sector can expect increased diversity in both their workforce, as well as the citizens they serve.

Recognizing this changing dynamic, the B.C. Public Service Agency is responsible for ensuring the Public Service has the commitment, capacity and capability within its workforce to meet the needs of British Columbians now and in the future.

Goals, Objectives, Strategies and Performance Measures

Goal 1: A Public Service that attracts, enables, develops and retains a highly skilled and professional workforce

Objective 1.1: Support the B.C. Public Service to develop the commitment, capacity and capability in the workforce to meet business needs

Objective 1.2: Support public service workplaces to be healthy, inclusive and productive

Key Strategies:

- Implement the 15 actions in the *Diversity and Inclusiveness Action Plan* to ensure the B.C. Public Service reflects the population it serves.
- Continue to implement the corporate plan, *Where Ideas Work* with an emphasis on succession management, diversity and inclusion, employee development, knowledge transfer, recruitment of new talent, and embedding innovation into our culture to address the expected increase in retirements and shortage of skilled labour.
- Build and implement a comprehensive succession management program focused on leadership development and succession priority operational roles to ensure essential talent pipelines are built and the depth of talent is strengthened across the B.C. Public Service.
- Continue to implement the Health Strategy 2.0 that takes a proactive and preventative approach in supporting a healthy and productive workforce and minimizing B.C. Public Service benefit cost increases due to illness and disability.
- Seek opportunities to refine the delivery of human resource (HR) services to align with leading practices, reduce HR transactional costs, improve service quality and redirect funding to specialized services.
- Encourage the broader public sector to leverage the investment in the human resource, payroll and technology services platform to create economies of scale and enable reinvestment in workforce initiatives.

- In partnership with the Ministry of Indigenous Relations and Reconciliation, develop a framework and supporting initiatives to build public service capacity in Indigenous reconciliation.
- Keep investing in technologies to automate the capture and transfer of critical employee data to improve the efficiency and integrity of data management to support improved evidence based decision making and strategic workforce planning.

Performance Measure 1: **Absences related to illness and injury days per Full Time Equivalent (FTE)**

Performance Measure	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
Absences related to illness & injury days per FTE[1]	9.3 days	9.3 days	9.3 days	9.3 days	9.3 days

Data Source: B.C. Public Service Agency.
[1]For the purpose of this performance measure, absences refers to short term illness and non-occupational injuries.

Rationale for Performance Measure:

The B.C. Public Service remains committed to an emphasis on early interventions and services which are expected to have long-term positive impacts on employee health outcomes. Over time this will result in continued lower leave absences due to illness and injury despite changes in workforce demographics.

Discussion:

The B.C. Public Service recognizes that where employees are supported to optimize their health, better customer service to the public is provided. However, a workforce with changing demographics and the rising prevalence of chronic disease in the population in general are challenges faced not only by the B.C. Public Service, but by all employers in British Columbia.

This measure identifies the number of days lost due to illness and injury. At 9.3 days per FTE, the B.C. Public Service continues to compare favourably against the Canadian provincial public sector average of 11.7 days and the federal public sector at 12.9 days[5]. The difference reflects our ongoing focus on health promotion and prevention services, at-work supports for employees with illnesses or injuries, and timely rehabilitation and return to work for employees who are off work due to an illness or injury.

[5] Data Source: Statistics Canada

Performance Measures 2 and 3: Workforce utilization

Performance Measures	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
FTE Utilization in the Public Service	27,940	28,900	29,400	29,500	29,500
Auxiliaries as a percentage of the workforce	7.6%	10%	8%	8%	8%

Data Source: B.C. Public Service Agency.

Rationale for Performance Measures:

In order to meet government's medium to long-term business priorities, it is essential to ensure the right number of staff with appropriate skills and competencies are in place.

Auxiliaries are needed for seasonal or short term business projects.

Discussion:

Full-time equivalent (FTE) staff utilization in core government ministries is projected to increase from a forecasted 28,900 in 2017/18 to 29,400 FTEs in 2018/19. This is based on the need to increase staffing for child care and housing investments as well as for front-line service positions including sheriffs, court services staff, staff to deliver social assistance services and conservation officers. The projected increase in FTEs is also explained in part by new staffing to support activities related to cannabis legalization, enhanced support for workers and employers in matters related to WorkSafeBC, wildfire recovery efforts, land use planning and environmental management.

FTE utilization is projected to increase slightly in 2019/20 due to the continued hiring of program staff related to child care investments, land use planning and wildlife management before stabilizing in 2020/21.

The hiring of auxiliaries is intended to fill short-term business needs, either for an interim, cyclical or seasonal basis. Monitoring the proportion of auxiliaries in the workforce helps to ensure hiring levels support B.C. Public Service FTE utilization targets by maintaining an optimal balance between the permanent and temporary components of our workforce.

Resource Summary

Core Business Area	2017/18 Restated Estimates[1]	2018/19 Estimates[2]	2019/20 Plan	2020/21 Plan
Operating Expenses ($000)				
B.C. Public Service Agency	53,410	56,268	56,323	56,323
Benefits	1	1	1	1
Long Term Disability Fund Special Account	22,111	27,131	27,131	27,131
Total	**75,522**	**83,400**	**83,455**	**83,455**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
B.C. Public Service Agency	10	10	10	10
Total	**10**	**10**	**10**	**10**

1. For comparative purposes, amounts shown for 2017/18 have been restated to be consistent with the presentation of the 2018/19 *Estimates*.
2. Further information on program funding and vote recoveries is available in the Estimates and Supplement to the Estimates.

Appendix E: Contact Information

Ministry Central Office
PO Box 9417 STN PROV GOVT
Victoria, B.C. V8W 9V1
Phone: 250 387-3184

Minister's Office
Honourable Carole James
PO Box 9048 STN PROV GOVT
Victoria, B.C. V8W 9E2
Phone: 250 387-3751

Media Queries
Phone: 250 387-1248

Tax Questions
For questions about B.C. 's Provincial Sales Tax, Motor Fuel Tax, Tobacco Tax, Carbon Tax, Tax on Designated Property and Residential Energy Credit and Rebate program:

Toll-free anywhere in B.C. 1 877 388-4440 or email: CTBTaxQuestions@gov.bc.ca

Financial Institutions Commission
2800 - 555 West Hastings Street
Vancouver, B.C. V6B 4N6
Phone: 1 866 206-3030
www.fic.gov.bc.ca

Government Communications and Public Engagement
PO Box 9409 STN PROV GOVT
Victoria, B.C. V8W 9V1
617 Government Street
Phone: 250 387-1337
www.gcpe.gov.bc.ca

Public Sector Employers' Council Secretariat
PO Box 9400 STN PROV GOVT
Victoria, B.C. V8V 9V1
Suite 210, 880 Douglas Street
Phone: 778 698-8549
www.psec.gov.bc.ca

Public Service Agency
PO Box 9404 STN PROV GOVT
Victoria, B.C. V8W 9V1
810 Blanshard Street
Phone: 250 952-6296
www.bcpublicserviceagency.gov.bc.ca

Appendix F: Links to Additional Information

Reports and Publications
For the Budget and Fiscal Plan, Estimates, Public Accounts, Quarterly Reports, Financial and Economic Review, and other reports and publications of the British Columbia Ministry of Finance, please visit: www.fin.gov.bc.ca/pubs.htm

For more information and other Ministry and Crown Agency Service Plans and Annual Service Plan Reports, please visit: www.bcbudget.gov.bc.ca/default.htm

Listing of Legislation

www.bclaws.ca/civix/document/id/amr/amr/172897626

The Minister of Finance is also the Minister responsible for the following Crown corporations, Boards and Commissions:

Crown Corporations
- BC Investment Management Corporation: www.bcimc.com
- BC Pension Corporation: www.pensionsbc.ca
- BC Securities Commission: www.bcsc.bc.ca
- Credit Union Deposit Insurance Corporation: www.cudicbc.ca
- Partnerships BC: www.partnershipsbc.ca
- Real Estate Council of BC: www.recbc.ca

Boards, Commissions and Other Key Organizations
- Auditor Certification Board: http://www.fin.gov.bc.ca/ocg/fmb/Auditor_Certification_Board/Auditor_Cert_Board.htm
- Financial Institutions Commission: www.fic.gov.bc.ca
- Government House: www.ltgov.bc.ca
- Insurance Council of BC: www.insurancecouncilofbc.com
- Office of the Superintendent of Real Estate: www.osre.gov.bc.ca
- Real Estate Foundation of BC: www.refbc.com